

Message Text

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64

ORIGIN XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 CIAE-00 COME-00

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 PA-04 PRS-01 USIA-15

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DRAFTED BY: XMB:AMOHANIAN

APPROVED BY: EB/OCA/REP:LKLIEFORTH

XMB:WALTER C SAUER, FIRST VP AND VICE CHAIRMAN

ARA/MEX:GFALK INFO

EB/ODF/IFD:EMLINTON

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R 041451Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

UNCLAS STATE 193399

E.O. 11652: N/A

TAGS: APUB, MX

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO MEXICO

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$1,942,000 TO DERIVADOS SINTETICOS S.A. DE
C.V. GARZA GARCIA, NUEVO LEON, MEXICO. RELEASE IS SCHEDULED
FOR ANNOUNCEMENT HERE IN WASHINGTON, DC FOR AM PAPERS,
FRIDAY, SEPTEMBER 6, 1974.

QUOTE: EXIMBANK CREDIT OF \$1,942,000 HELPS FINANCE \$4.3
MILLION SALE OF U.S. EQUIPMENT FOR FIBER PLANT IN MEXICO

TO SUPPORT A \$4,315,000 SALE OF U.S. EQUIPMENT REQUIRED FOR
CONSTRUCTION OF A SPANDEX FIBER PLANT IN MEXICO, THE BOARD OF
DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS
AUTHORIZED A DIRECT CREDIT OF \$1,942,000 TO FINANCE 45 PERCENT
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OF THE TOTAL U.S. COSTS AND A FINANCIAL GUARANTEE OF A CREDIT

OF \$1,942,000 FROM PRIVATE SOURCES NOT YET DESIGNATED TO FINANCE ANOTHER 45 PERCENT, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. THE OBLIGOR, DERIVADOS SINTETICOS S.A. DE C.V. GARZA GARCIA, NUEVO LEON, MEXICO, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR \$431,500.

THE PROJECT IS FOR CONSTRUCTION OF A NEW 1,000,000 LBS/JR SPANDEX FIBER PLANT TO BE LOCATED AT THE COMPANY'S POLYESTER STAPLE PLANT NEAR MONTERREY. E.I. DUPONT DE NEMOURS & COMPANY OF WILMINGTON, DELAWARE, WILL PROVIDE TECHNOLOGY AS WELL AS DESIGN, CONSTRUCTION SUPERVISION AND CONTINUING TECHNICAL SUPPORT.

U.S. PURCHASES WILL INCLUDE SPINNING MACHINE INSTRUMENTS, CONTROLS, PUMPS, CONDENSERS, REACTORS, MIXERS, AND FILTERS FROM NUMEROUS U.S. SUPPLIERS NOT YET FIRMLY SELECTED.

THE LOANS ARE TO BE REPAID IN 12 SEMIANNUAL INSTALLMENTS BEGINNING MAY 10, 1976. EXIMBANK'S DIRECT CREDIT OF \$1,942,000 WILL BE REPAID OUT OF THE LAST 6 INSTALLMENTS. INTEREST ON THE FIRST \$1,395,000 DRAWN UNDER EXIMBANK'S CREDIT IS TO BE CHARGED AT A RATE OF 6 PERCENT PER ANNUM AND THE INTEREST ON THE BALANCE OF \$547,000 IS TO BE CHARGED AT A RATE OF 7 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT EXTENDED FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER OF ABOUT 8.64 PERCENT TO 8.89 PERCENT PER ANNUM. REPAYMENT OF BOTH LOANS IS TO BE GUARANTEED BY NYLON DE MEXICO S.A. AND DUPONT S.A. DE C.V. UNQUOTE. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE193399
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMOHANIAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740245-0800
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740975/aaaacqls.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by maustmc>; APPROVED <28 JAN 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO MEXICO FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
TAGS: APUB, MX
To: MEXICO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005